

Budget resolutions would cut aid to longtime U.S. friends

By Bill Kritzberg
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More than 100 countries around the world will suffer American aid losses ranging from military assistance to surplus food if Congress holds to budget resolutions that Secretary of State George Shultz says will cut U.S. foreign policy "off at the knees."

Priority countries will be least affected. These include "vital interests" like Egypt, Israel, Pakistan and Central America, and the so-called "base countries" — Spain, Turkey, Greece, Portugal and the Philippines.

But traditional friends like South Korea, Tunisia and Jordan, fledgling democracies in South America and famine-stricken countries in Africa could get nothing.

President Reagan requested \$22.6 billion for the 1987 foreign affairs budget. The Senate voted \$17.85 billion and the House \$17 billion — cuts of 21 percent and 25 percent, respectively.

The original budget request would have reserved \$10 billion for the priority countries, leaving \$12.6 billion for the rest of the world. The House and Senate, however, earmarked roughly \$11 billion for the priority countries — a billion or so more than President Reagan asked for — while cutting the rest of the allocations to some \$6 billion.

This figure includes the State Department operations budget, so the amount channeled into foreign aid actually would be much less. The aid figure will be determined by appropriations subcommittees later in the budget process.

The budget cuts pose what one State Department official called "hellish" choices: "Do we lowball Spain so that we can keep two or three programs going in Africa?"

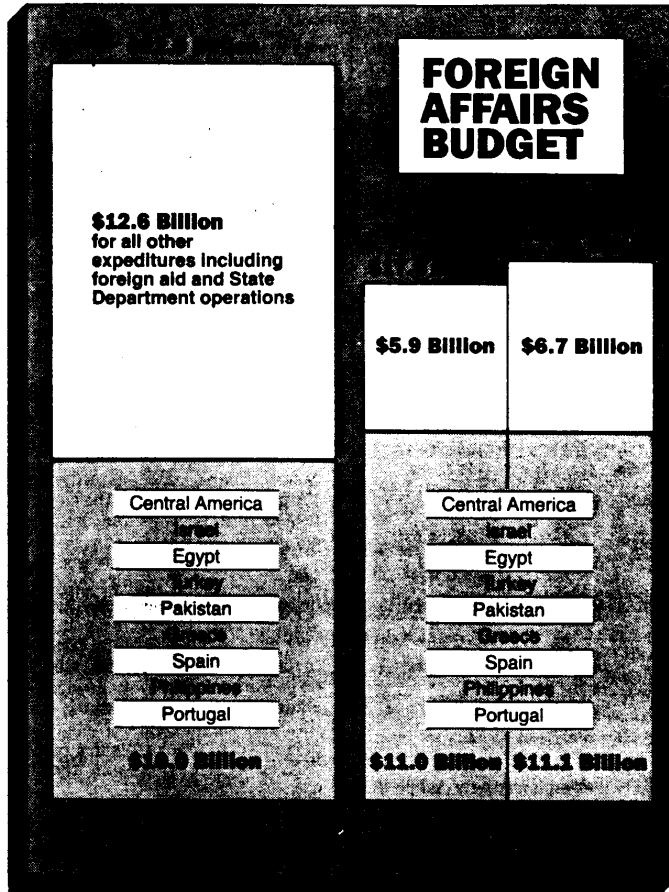
While U.S. foreign aid has always been heavily weighted in favor of the priority countries — which are determined by a consensus of Congress and the administration — the United States has important interests in many non-priority countries.

South Korea, for example, plays host to 40,000 American troops and received \$230 million in U.S. aid last year. But it is not regarded priority because the South Korean economy is relatively healthy and is not a "base rights" country.

The State Department makes a distinction between countries where American troops are stationed — even though they obviously live on bases — and those with whom the United States has formal base agreements that require annual payments.

Theoretically, a traditional friend like South Korea could get nothing. But State Department spokesman Charles Redman said funding low-priority countries would be more a matter of "squeezing your requirements in half."

This could affect foreign policy initiatives in countries like Mozam-



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bique, whose Marxist regime currently receives U.S. aid because Washington would like to exert more influence there.

The cuts will make it difficult, according to State Department spokesman Michael Austrian, "for Jordan to make economic progress." Bangladesh and certain African countries could be devastated. And a loss of American aid in Chad could tip the balance in favor of Libyan-backed rebels pressing the Ndjamena government.

"Not a single country in Africa falls under the high-priority rubric," said a State Department official. "You have all the rest of South America. The same is true for other regions, such as Southwest and East Asia."

Foreign aid is broken down into three main components: Economic Support Funds (ESF) or economic aid, the Military Assistance Program (MAP), which covers military grants, and Foreign Military Sales (FMS) or military credits. In addition, Development Assistance covers a specific set of projects financed by the United States abroad.

State Department officials say certain programs are likely to be gutted, such as the International Military Education and Training program (IMET), which benefits po-

lice and military forces in 21 countries. And certain regions, such as Africa, probably will get little or no aid.

Last year, a relatively "good year" for foreign aid in State's estimation, the Sudan suffered a 50 percent cut in its allocation and received only \$60 million of the \$120 million requested. It could get nothing this year, even though the United States is trying to convince the Sudanese government that it is a better friend than Libya.

Israel, on the other hand, is considered a "vital interest" and is scheduled to get \$3 billion this year. By the same token, Egypt will get \$2.3 billion, Turkey \$794 million, Pakistan \$666.4 million, Greece \$501 million, Spain \$415 million, the Philippines \$378.4 million and Portugal \$224.5 million.

The budget cuts are particularly galling to the State Department because it had requested a 10 percent increase over last year.

"The secretary's feeling," said one official, "is that foreign assistance is a victim of the numbers game. We're going to have foreign policy problems. We're going to have trouble meeting our commitments in key strategic areas. We're going to reverse the progress we've made in the past few years."